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1992

SECURITIES AND EXCHANGE COMMISSION

Washington, D. C. 20549

G 92-2241

FORM 10-Q

(Mark One)
[X] Quarterly Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934
For the quarter ended June 30, 1992
or
[ ] Transition Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Commission file number 0-10850

Exact name of registrant as specified in its charter

Microfilmed By Q-Data Corporation St. Petersburg, FL

CAL REP BANCORP, INC.

State of incorporation:	Address and telephone of principal executive offices:	I.R.S. Employer Id. No.:
California	1675 Chester Avenue, Suite 200 Bakersfield, California 93301 805-355-5800	95-3788589

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes X No___

Applicable only to issuers involved in bankruptcy proceedings during the preceding five years:

Indicate by check mark whether the registrant has filed all documents and reports required to be filed by Sections 12, 13 or 15(d) of the Securities Exchange Act of 1934 subsequent to the distribution of securities under a plan confirmed by a court.

Yes___ No___

Applicable only to corporate issuers:

Indicate the number of shares outstanding of each of the issuer's classes of Common Stock, as of the latest practicable date.

Common Stock, no par value - 2,746,833 shares outstanding
as of July 31, 1992.

CAL REP BANCORP, INC.
CONSOLIDATED STATEMENTS OF FINANCIAL CONDITION

	June 30 1992	December 31 1991
ASSETS		
Cash and due from banks	$46,551,241	$41,025,898
Interest bearing deposits in other financial institutions	1,864,000	2,158,000
Federal funds sold	10,800,000	0
Investment securities	80,677,180	96,122,293
Loans and leases:		
Commercial	114,641,720	137,848,054
Real estate	134,282,569	98,252,192
Real estate construction	78,692,779	79,070,644
Installment	89,529,082	76,848,605
Less: Unearned income	(2,831,814)	(1,187,621)
Deferred loan fees	(2,968,936)	(2,766,793)
Total loans and leases	411,345,400	388,065,081
Less: Allowance for possible loan losses	(10,145,223)	(10,291,150)
Net loans and leases	401,200,177	377,773,931
Bank premises and equipment, net	12,107,226	12,233,703
Accrued interest receivable	4,250,195	4,796,258
Investments in real estate, net	4,329,593	7,656,842
Other real estate owned	12,108,484	15,845,472
Other assets	8,472,805	7,038,027
Total Assets	$582,360,901	$564,650,424
LIABILITIES		
Deposits:		
Non–interest bearing	$112,287,816	$112,530,594
Interest bearing	423,118,086	407,094,416
Total deposits	535,405,902	519,625,010
Federal funds purchased	700,000	1,600,000
Accrued interest payable and other liabilities	5,718,109	4,340,299
SHAREHOLDERS' EQUITY		
Common stock, no par value; authorized 20,000,000 shares issued and outstanding	15,178,138	15,178,138
Retained earnings	25,358,752	23,906,977
Total shareholders' equity	40,536,890	39,085,115
Total Liabilities and Shareholders' Equity	$582,360,901	$564,650,424

The accompanying notes are an intergral part of these statements.

CAL REP BANCORP, INC.
CONSOLIDATED STATEMENTS OF INCOME

	For the three months ended June 30		For the six months ended June 30	
	1992	1991	1992	1991
INTEREST INCOME				
Interest and fees on loans and leases	$ 10,868,346	$ 10,294,206	$ 21,326,278	$ 20,482,692
Interest on investment securities:				
Taxable	1,207,120	1,913,189	2,300,423	4,038,530
Tax-exempt	469,482	557,853	957,331	1,129,219
Interest on federal funds sold	117,518	136,298	268,711	351,614
Interest on deposits in other financial institutions	20,315	70,167	46,062	154,714
Total interest income	12,682,781	12,971,713	24,898,805	26,156,769
INTEREST EXPENSE				
Interest on deposits	3,960,991	5,311,091	8,380,869	11,045,153
Interest on short term borrowings	28,245	41,453	69,180	103,495
Total interest expense	3,989,236	5,352,544	8,450,049	11,148,648
Net interest income	8,693,545	7,619,169	16,448,756	15,008,121
Provision for possible loan losses	855,000	650,000	3,005,000	1,600,000
Net interest income after provision for possible loan losses	7,838,545	6,969,169	13,443,756	13,408,121
NON-INTEREST INCOME				
Service charges on deposit accounts	1,258,224	1,261,945	2,541,527	2,518,405
Other service charges, commissions, and fees	648,660	601,438	1,332,486	1,070,179
Net investment securities gains	0	508,908	2,117,486	560,796
Other non-interest income	288,344	160,422	674,002	401,704
Total non-interest income	2,195,228	2,532,713	6,665,501	4,551,084
NON-INTEREST EXPENSE				
Salaries	2,914,183	2,838,359	6,099,704	5,612,008
Other employee benefits	844,107	794,221	1,771,464	1,567,060
Net occupancy expense	606,145	550,319	1,185,821	1,127,846
Equipment expense	675,475	764,850	1,417,156	1,590,271
Other non-interest expense	3,072,145	2,480,412	7,205,694	4,413,811
Total non-interest expense	8,112,055	7,428,161	17,679,839	14,310,996
Income before applicable income taxes	1,921,718	2,073,721	2,429,418	3,648,209
Provision for income taxes	664,506	655,573	703,059	1,088,606
Net income	$ 1,257,212	$ 1,418,148	$ 1,726,359	$ 2,559,603
Earnings per common share	$ 0.46	$ 0.52	$ 0.63	$ 0.93
Cash dividends per common share	$ 0.00	$ 0.10	$ 0.10	$ 0.20

CAL REP BANCORP, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS

Increase (decrease) in cash and cash equivalents	For the six months ended June 30 1992	1991
Cash flows from operating activities:		
Net income	$ 1,726,359	$ 2,559,603
Adjustments to reconcile net income to net cash provided by operating activities:		
Decrease in interest receivable	546,063	347,332
Increase in deferred loan fees	202,143	137,306
Increase (decrease) in interest payable	658,080	(147,785)
Provision for possible loan losses	3,005,000	1,600,000
Investment securities gains	(2,117,485)	(560,796)
Amortization and accretion of premium and discount on investment securities	127,737	134,680
(Gain) loss on sale or retirement of fixed assets	14,001	(924)
Depreciation and amortization of fixed assets	885,516	860,949
Increase (decrease) in accrued expenses	92,580	(417,910)
Increase in prepaid expenses	285,011	35,454
Increase (decrease) in accrued taxes payable	(7,940)	372,091
Net increase (decrease) in other liabilities	635,090	(2,291,981)
Total adjustments	4,325,796	68,416
Net cash provided by operating activities	6,052,155	2,628,019
Cash flows from investing activities:		
Proceeds from sales of investment securities	48,413,494	12,833,316
Proceeds from maturities of investment securities	9,611,212	5,007,282
Purchase of investment securities	(40,589,845)	(104,812)
Net decrease in interest bearing deposits in other financial institutions	294,000	1,783,000
Net increase in federal funds sold	(10,800,000)	(4,500,000)
Net increase in installment loans	(11,036,284)	(5,553,394)
Net increase in commercial and real estate loans	(15,597,105)	(5,308,164)
Net (increase) decrease in investments in real estate	3,327,249	(817,669)
Principal collected on direct lease financing	--	9,938
Capital expenditure for fixed assets	(780,742)	(439,038)
Proceeds from sale of bank premises and equipment	7,701	12,029
Principal collected on leverage leases	18,428	199,134
Net (increase) decrease in other real estate owned	3,736,988	(8,067,080)
Net increase in other assets	(1,738,217)	(1,668,328)
Net cash used in investing activities	$ (15,133,121)	$ (6,613,786)

CAL REP BANCORP, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS

Increase (decrease) in cash and cash equivalents	For the six months ended June 30 1992	1991
Cash flows from financing activities:		
Net decrease in non–interest bearing deposits	(242,776)	(1,836,730)
Net increase (decrease)in interest bearing deposits	16,023,670	(1,079,550)
Net (decrease) increase in federal funds purchased	(900,000)	200,000
Dividends paid	(274,583)	(549,167)
Net cash provided by financing activities	14,606,309	(3,265,447)
Net increase (decrease) in cash and cash equivalents	5,525,343	(7,251,214)
Cash and cash equivalents at begining of period	41,025,898	51,445,764
Cash and cash equivalents at end of period	$ 46,551,241	$ 44,194,550

CAL REP BANCORP, INC.
NOTES TO FINANCIAL STATEMENTS

1. In the opinion of the Company, the accompanying consolidated financial statements contain all adjustments necessary to present fairly the financial position as of June 30, 1992 and December 31, 1991 and the results of operations for the three and six months ended June 30, 1992 and 1991 and the cash flows for the six months ended June 30, 1992 and 1991.

2. In the ordinary course of business, California Republic Bank (a wholly-owned subsidiary) enters into commitments to extend credit to its customers which are not reflected in the accompanying financial statements. Lines of credit at June 30, 1992 and June 30, 1991 are $44,112,000 and $32,281,000, respectively. Real estate construction loans are carried net of undisbursed portions totaling $48,524,000 and $60,330,000 at June 30, 1992 and June 30, 1991, respectively. Additionally, the Bank was contingently liable for Standby Letters of Credit at June 30, 1992 for $28,703,000 and at June 30, 1991, for $21,834,000.

3. Certain amounts in the unaudited consolidated financial statements for prior periods have been reclassified to conform with the 1991 financial statement classification. The reclassifications had no net impact on the reported results of operations. In the opinion of management, all adjustments necessary for a fair presentation of results of operations have been made. The adjustments are all of a normal recurring nature, and management believes such presentation is adequate to make the information presented not misleading.

CAL REP BANCORP, INC.
SELECTED CONSOLIDATED STATISTICAL INFORMATION

The following tables are included to provide further information and should be read in conjuction with the consolidated financial statements.

Analysis of Consolidated Statements of Income

The table below summarizes the principal components of the Consolidated Statements of Income and percentage changes therein.

(Amounts in thousands)	June 30, 1992 vs. June 30, 1991					
	Three Months Ended			Six Months Ended		
		Change			Change	
	06/30/92	Amount	%	06/30/92	Amount	%
Total interest income (1)	$ 12,925	$ (335)	-2.53%	$ 25,391	$ (1,348)	-5.04%
Total interest expense	3,989	(1,364)	-25.48%	8,450	(2,699)	-24.21%
Net interest income (1)	8,936	1,029	22.95%	16,941	1,351	19.17%
Taxable equivalent adjustment	242	(46)	-15.97%	493	(89)	-15.29%
Net interest income	8,694	1,075	38.93%	16,448	1,440	34.46%
Provision for possible loan losses	855	205	31.54%	3,005	1,405	87.81%
Net interest income after provision for possible loan losses	7,839	870	7.39%	13,443	35	-53.35%
Non-interest income	2,195	(338)	-13.34%	6,666	2,115	46.47%
Non-interest expense	8,112	684	9.21%	17,680	3,369	23.54%
Income taxes	665	9	1.37%	703	(386)	-35.45%
Net income	$ 1,257	$ (161)	-16.54%	$ 1,726	$ (833)	5.02%

(1) Taxable equivalent basis.

ANALYSIS OF AVERAGE BALANCES AND NET INTEREST MARGIN

($ in thousands)	Three Months Ended June 30, 1992			Three Months Ended June 30, 1991			1992 Over 1991	
	Average Balance	Interest	Yield/ Rate	Average Balance	Interest	Yield/ Rate	Volume	Rate
INTEREST-EARNING ASSETS								
Loans and leases	$411,995	$10,868	10.55%	$349,679	$10,294	11.78%	$1,377	($803)
Taxable investment securities	60,196	1,207	8.02%	86,228	1,913	8.87%	(535)	(171)
Non-taxable investment securities	23,535	712	12.10%	27,162	847	12.47%	(110)	(25)
Time deposits with banks	1,864	20	4.29%	3,990	70	7.02%	(29)	(21)
Federal funds sold	13,266	118	3.56%	9,471	136	5.74%	(958)	940
Total Earning Assets	510,856	12,925	10.12%	476,530	13,260	11.13%	344	(679)
Allowance for possible loan losses	(10,783)			(7,134)				
Cash and cash due from banks	40,690			37,764				
Net bank premises and equipment	12,305			12,479				
Other assets	26,868			22,591				
Total Assets	$579,936			$542,230				
INTEREST-BEARING LIABILITIES								
Savings & interest-bearing demand deposits	$258,470	1,899	2.94%	$213,967	2,398	4.48%	761	(1,260)
Time deposits	172,244	2,062	4.79%	161,587	2,912	6.41%	(143)	(707)
Federal funds purchased and other interest bearing liabilities	3,020	28	3.71%	3,293	43	5.22%	(3)	(12)
Total Interest-Bearing Liabilities	433,734	3,989	3.68%	398,847	5,353	5.37%	614	(1,978)
Noninterest-bearing deposits	103,804			99,436				
Accrued interest payable and other liabilities	2,530			3,538				
Total Liabilities	540,068			501,821				
Shareholders' equity	39,868			40,409				
Total Liabilities and Shareholders' Equity	$579,936			$542,230				
Net Interest Income and Margin		$8,936	7.00%		$7,907	6.64%	($270)	$1,299

Note: Interest income is determined on a taxable-equivalent basis. The taxable-equivalent adjustments are based on a marginal tax rate of 34% for 1992 and 1991 and the dollar effects are $242 and $287, respectively. Net loan fees of $1,304 and $1,219 were included in net interest income in the second quarter of 1992 and 1991, respectively. For purposes of this table, changes which are not due solely to rate or volume have been allocated proportionately.

ANALYSIS OF AVERAGE BALANCES AND NET INTEREST MARGIN

($ in thousands)	Six Months Ended June 30, 1992			Six Months Ended June 30, 1991			1991 Over 1990	
	Average Balance	Interest	Rate	Average Balance	Interest	Rate	Volume	Rate
INTEREST-EARNING ASSETS								
Loans and leases	$405,035	$21,326	10.53%	$347,041	$20,483	11.80%	$2,380	($1,537)
Taxable investment securities	59,660	2,300	7.68%	90,586	4,039	8.92%	(1,235)	(504)
Non-taxable investment securities	23,923	1,450	12.12%	27,353	1,711	12.51%	(209)	(52)
Time deposits with banks	1,944	46	4.73%	4,161	154	7.40%	(54)	(44)
Federal funds sold	14,895	269	3.66%	12,173	352	5.78%	108	(191)
Total Earning Assets	505,457	25,391	10.05%	481,294	26,739	11.11%	979	(2,327)
Allowance for possible loan losses	(10,564)			(7,665)				
Cash and cash due from banks	41,796			39,724				
Net bank premises and equipment	12,315			12,619				
Other assets	26,837			19,892				
Total Assets	$575,841			$545,864				
INTEREST-BEARING LIABILITIES								
Savings & interest-bearing demand deposits	$255,337	4,096	3.21%	$212,071	4,805	4.53%	1,644	(2,353)
Time deposits	171,256	4,285	5.00%	186,439	6,240	6.69%	(477)	(1,478)
Federal funds purchased and other interest bearing liabilities	3,482	69	3.96%	4,081	104	5.10%	(14)	(21)
Total Interest-Bearing Liabilities	430,075	8,450	3.93%	402,591	11,149	5.54%	1,153	(3,852)
Noninterest-bearing deposits	100,942			100,142				
Accrued interest payable and other liabilities	1,695			3,156				
Total Liabilities	532,712			505,889				
Shareholders' equity	40,369			39,975				
Total Liabilities and Shareholders' Equity	$573,081			$545,864				
Net Interest Income and Margin		$16,941	6.70%		$15,590	6.48%	($174)	$1,525

Note: Interest income is determined on a taxable-equivalent basis. The taxable-equivalent adjustments are based on a marginal tax rate of 34% for 1992 and 1991 and the dollar effects are $405 and $582, respectively. Net loan fees of $2,546 and $2,297 were included in net interest income in the six months ending of 1992 and 1991, respectively. For purposes of this table, changes which are not due solely to rate or volume have been allocated proportionately.

Item 2 - Management's discussion and analysis of financial condition and results of quarterly operations.

Overview

Cal Rep Bancorp, Inc. reported net income of $1,257,212 for the second quarter of 1992 and $1,726,359 for the six months ended June 30,1992. This compares with net income of $1,418,148 and $2,559,603 for the same prior year periods. Net income for the first quarter of 1992 was $469,147.

Total assets at June 30, 1992 were $582,360,901, compared with $581,329,660 at March 31, 1992, a 0.18% increase. Compared with June 30, 1991, total assets have increased from $546,565,491 or 6.55%.

Total shareholders' equity was $40,536,890 at June 30, 1992 compared with $39,279,679 at March 31, 1992 and $41,030,602 at June 30, 1991. Cal Rep Bancorp, Inc.'s leverage capital ratio was 6.94% at June 30, 1992, 6.76% at March 31, 1991 and 7.59% at June 30, 1991.

Under the 1992 risk-based capital guidelines, Cal Rep Bancorp Inc.'s Tier 1 capital ratio was 8.44% and total capital ratio was 9.95% at June 30, 1992. Both ratios exceeded regulatory guidelines.

On April 10, 1992 the Company paid a cash dividend of $0.10 per share to shareholders of record as of April 1. However the Company's Board of Directors announced on April 15, 1992, the indefinite suspension of the cash dividend beginning with the second quarter, in order to strengthen the Bank's capital position and to support profitable growth opportunities,

Net Interest Income

Net interest income, on a taxable equivalent basis, was $8,936,000 for the second quarter of 1992 compared with $8,006,000 in the first quarter of 1992 and $7,907,000 in the second quarter of 1991. The increase in net interest income resulted primarily from a decline in rates paid on interest bearing liabilities. The net interest margin, which translates into the net amount generated by earning assets after taking into account the cost of funding those assets, increased 60 basis points to 7.00% in the second quarter of 1992 from 6.40% in the first quarter of 1992 and 6.64% in the second quarter of 1991.

During the second quarter of 1992, gross interest income remained consistent with both the first quarter of 1992 and the second quarter of 1991. On a taxable equivalent basis, gross interest income for the second quarter of 1992 was $12,925,000 compared to $12,467,000 in the first quarter of 1992 and $13,260,000 in the second quarter of 1991. The consistency of the interest income levels reflects a significant decline in interest rates over the periods which more than offset the growth in earning assets. During the second quarter of 1992, earning assets averaged $510,856,000 and yielded 10.12%, as compared to the first quarter of 1992 when earning assets averaged $500,057,000 and yielded 9.97% and as compared to the second quarter of 1991 when earning assets averaged $476,530,000, yielding 11.13%.

Interest expense continued to decline in the second quarter as the rates paid on interest bearing liabilities further deteriorated from 5.37% in the second quarter of 1991 and 4.18% in the first quarter of 1992 to 3.68% in the second quarter of 1992. Interest expense decreased $472,000 during the second quarter of 1992 to $3,989,000. Average interest bearing liabilities, primarily deposit accounts, reflected continued growth averaging $433,734,000 in the second quarter of 1992 compared with $426,417,000 in the first quarter of 1991 and $398,847,000 in the second quarter of 1991.

For the six months ended June 30, 1992, net interest income, taxable equivalent basis, was $16,491,000 compared to $15,590,000 in the corresponding period of 1991. The increase is a reflection of the improved net interest margin generated during the first six months of 1992. The net interest margin, increased 22 basis points from 6.48% for the first six months of 1991 to 6.70% for the first six months of 1992. A further analysis of net interest income can be found on pages 8 and 9 of this Form.

Non-Interest Income

Non-interest income, which at times encompasses items ranging from service charges on deposit accounts to fees collected for microfiche processing, a further analysis of net-interest income can be found at pages 8 and 9 of this Form, was $2,195,000 for the second quarter of 1992. Unlike the two comparable quarters, the second quarter figure does not include any gains generated from the sale of investment securities. Non-interest income in the first quarter of 1992 was $4,470,000 and included $2,117,000 in gains realized from a one-time restructuring of the Bank's mortgage-backed securities portfolio. Non-interest income in the second quarter of 1991 was $2,533,000 and included $509,000 in gains realized from the sale of investment securities undertaken to fund unexpected loan demand.

Total non-interest income, exclusive of securities gains, remained fairly consistent from the second quarter of 1991 to the second quarter of 1992, increasing only $171,000 (see analysis page 13 of this Form). The largest portion of that increase resulted from an increase in other non-interest income which includes such things as microfiche fee income and gains generated from prepayments or mortgage backed securities which had been purchased at a discount.

Non-Interest Expense

Non-interest expense was $8,112,000 in the second quarter of 1992, compared with $9,568,000 in the first quarter of 1992 and $7,428,000 in the second quarter of 1991. Staff expense consisting of salaries and other employee benefits represent the largest single area of non-interest expenditures. Together, they totaled $3,758,000 in the second quarter of 1992 increasing $126,000 or 3.5% over the second quarter of 1991. This marginal increase is attributable to a shift in the staffing mix coupled with increased employee benefit costs. Staffing levels declined from 458 full time equivalent (FTE) at June 30, 1991 to 428 FTE at June 30, 1992. Management has worked diligently during the first six months of 1992 to control staff expense. The results of their efforts are reflected not only in the controlled levels of expense growth, but more importantly in the reduction of some 30 FTE.

Professional expense which is comprised of legal, accounting and other externally provided services, increased $224,000 over the second quarter of 1991. The increase reflects the additional legal expertise required to maintain the ORE portfolio. Coupled with the services provided by compensation consultants retained to evaluate the Bank's compensation program.

During the second quarter of 1992, no additional provisions were made to the reserve for joint ventures, ended the quarter at $1,336,000. The joint venture provision for the second quarter of 1991 was $525,000 and for the first quarter of 1992 was $1,685,000. Management continues to believe that the reserve is adequate based on the Bank's continual evaluation of the joint venture portfolio.

Other real estate operating expenses increased $442,000 over the second quarter of 1991. Operating expenses reflect the ongoing costs associated with the Bank's existing ORE portfolio as well as the sales costs associated with the disposition of any ORE previously held for sale. The increase in these expenses is indicative of both the high level of existing ORE and the increased ORE sales activity the Bank experienced during the second quarter of 1992.

Other expenses, which include items ranging from directors fees and employee training to correspondent bank charges and Bank insurance expense increased $315,000 or 48.8% over the second quarter of 1991. Increased lending activity experienced during the second quarter of 1992 accounts for the largest portion of the increase as both the volume and cost of real estate appraisals and filing and recording fees expanded to keep up with the activity. A further analysis of non-interest expense can be found at page 13 of this Form.

ANALYSIS OF NON–INTEREST INCOME AND EXPENSE

(Amounts in thousands)

Three Months Ended June 30,	1992	1991	Increase/(Decrease) Amount	Percent
Non–Interest Income:				
Service charges on deposit accounts	$ 1,258	$ 1,262	$ (4)	–0.32%
Other service charges, commissions and fees	649	601	48	7.99%
Net investment securities gains	0	509	(509)	–100.00%
Other non–interest income	288	161	127	78.88%
Total Non–Interest Income	$ 2,195	$ 2,533	$ (338)	–13.34%

Three Months Ended June 30,	1992	1991	Increase/(Decrease) Amount	Percent
Non–Interest Expense:				
Salaries	$ 2,914	$ 2,838	$ 76	2.68%
Other employee benefits	844	794	50	6.30%
Net occupancy expense	606	550	56	10.18%
Equipment expense	675	765	(90)	–11.76%
Professional expense	566	342	224	65.50%
Promotion	62	62	0	0.00%
Advertising	75	60	15	25.00%
Office supplies and expense	377	420	(43)	–10.24%
Provision for Joint Ventures	0	525	(525)	–100.00%
Operating losses	266	134	132	98.51%
ORE writedowns	0	0	0	0.00%
FDIC and state banking assessments	282	250	32	12.80%
ORE operating expenses	485	43	442	1027.91%
Other expenses	960	645	315	48.84%
Total Non–Interest Expense	$ 8,112	$ 7,428	$ 684	9.21%

Loans

Total loans were $411,345,000 at June 30, 1992, an increase of 2.10% from March 31, 1992 and 19.09% from June 30, 1991. An analysis of total loans and leases, which breaks out the balances by type, appears on page 15 of this Form.

At June 30, 1992, the allowance for possible loan losses totaled $10,145,000 compared with $10,917,000 at March 31, 1992 and $7,349,000 at June 30, 1991. As the economy continues to experience changes, the Bank's loan portfolio receives constant internal review. At June 30, 1992, the allowance for possible loan losses represented 2.47% of the Bank's total loan portfolio compared with 2.71% at March 31, 1992 and 2.13% at June 30, 1991. An analysis of the allowance for possible loan losses appears on page 14 of this Form.

Non-Performing Assets and Past Due Loans

Non-performing assets consist of loans and leases on which interest is no longer being accrued and real estate acquired through foreclosures in satisfaction of loans. Managements' classification of a loan as non-accrual does not necessarily indicate that the principal of the loan is uncollectible in whole or in part. If the status of the loan deteriorates to the point that ultimate collection of principal and interest is doubtful and further extension would diminish the value of the bank's interest in any related collateral, the Bank acquires ownership of the property through appropriate legal action. Any loss resulting from differences between the loan balance and the fair market value of the property is recognized immediately by a charge to the allowance for loan losses. Management periodically reappraises the value of foreclosed property and additional write-downs, if any, are charged directly against earnings. Any gains or losses resulting from the ultimate disposal of foreclosed property are recognized at the time of sale.

Non-performing assets were $16,367,000 at June 30, 1992, compared with $20,399,000 at March 31, 1992 and $18,385,000 at June 30, 1991. As a percentage of total loans and foreclosed property, non-performing assets represented 3.92% at June 30, 1992 compared with 4.88% at March 31, 1992 and 5.13% at June 30, 1991. An analysis of non-performing assets appears on page 16 of this Form.

ANALYSIS OF TOTAL LOANS AND LEASES

(Amounts in thousands)

	June 30, 1992	March 31, 1992	December 31, 1991	June 30, 1991
Commercial	$ 90,848	$ 98,584	$ 137,848	$ 128,746
Agriculture	23,793	14,524	--	0
Real estate	134,283	132,714	98,252	73,562
Real estate construction	78,693	78,741	79,071	88,331
Installment	89,529	83,479	76,849	57,032
Direct lease finacing	--	--		31
Less:				
Unearned income	(2,832)	(2,275)	(1,186)	--
Deferred loan fees	(2,969)	(2,872)	(2,767)	(2,283)
Total loans and leases	411,345	402,895	388,065	345,419
Less:				
Allowance for possible loan losses	(10,145)	(10,917)	(10,291)	(7,349)
Net loans and leases	$ 401,200	$ 391,978	$ 377,774	$ 338,070

ANALYSIS OF ALLOWANCE FOR POSSIBLE LOAN LOSSES

	June 30, 1992	March 31, 1992	December 31, 1991	June 30, 1991
Balance, begining of period	$ 10,917	$ 10,291	$ 7,360	$ 7,428
Provision for possible loan losses	855	2,150	4,000	650
Loan losses, net of recoveries:				
Commercial loans	89	583	(30)	298
Real estate loans	1,093	689	881	366
Consumer loans	445	252	218	54
Other loans	--	--	--	11
Total net loan losses	1,627	1,524	1,069	729
Balance, end of period	$ 10,145	$ 10,917	$ 10,291	$ 7,349
Ratio of net loan losses during the period to total loans and leases (annualized)	1.58%	1.51%	0.28%	0.84%

ANALYSIS OF NON-PERFORMING ASSETS

(Amounts in thousands)

Non-Performing Assets and Past Due Loans

	June 30, 1992	March 31, 1992	December 31, 1991	June 30, 1991
Non-accrual loans	$ 4,259	$ 5,405	$ 5,042	$ 5,171
Foreclosed property	12,108	14,994	15,845	13,214
Total non-performing assets	$ 16,367	$ 20,399	$ 20,887	$ 18,385
Total non-performing assets to:				
Loans and foreclosed property	3.92%	4.88%	5.17%	5.13%
Total assets	2.81%	3.51%	3.70%	3.36%
Accruing loans past due more than 90 days	$ 841	$ 893	$ 1,899	$ 3,943

Non-Performing Assets by Type

	June 30, 1992	March 31, 1992	December 31, 1991	June 30, 1991
Single Family Dwellings	$ 6,386	$ 2,552	$ 1,886	$ 3,673
Land	8,299	13,841	15,275	11,018
Commercial Real Estate	1,177	1,327	1,491	3,594
Other	503	2,679	2,235	100
Total Non-Performing Assets by Type	$ 16,367	$ 20,399	$ 20,887	$ 18,385

Liquidity

Liquidity management ensures available funds to meet normal transaction requirements and to provide funds for loans and leases to customers as necessary. The Bank maintains primary liquidity by investing in short term interest bearing deposits with other financial institutions and the overnight sale of federal funds. These funds are placed at spaced maturity intervals to become available for the deposit and credit needs of our customers. These funds averaged $18,268,000 in the second quarter of 1992 compared with $18,147,000 in the first quarter of 1992 and $8,910,000 in the second quarter of 1991. Additionally, the bank maintains a high level of short term government bond investments and government agency bonds which provide monthly cash flow which approximated $1,600,000 in the second quarter of 1992.

Capital Management

Total shareholders' equity increased $1,257,212 or 3.20% from March 31, 1992 to June 30, 1992 due totally to the retention of earnings. The ratio of average shareholders' equity to average assets was 6.9% at June 30, 1992, 6.9% at March 31, 1992 and 7.3% at June 30, 1991.

On April 15, 1992 the Bank's Board of Directors entered into a memorandum of understanding with the Federal Deposit Insurance Corporation (FDIC) relating to capital adequacy, asset quality management, asset/liability management, and related policies and procedures. Under this memorandum of understanding, the Board has made a commitment to achieve an agreed upon level of 7.25% of Tier 1 leverage capital by year-end 1992 and to continue to provide an adequate allowance for loan losses. Management believes that the Bank will be able to achieve this goal through normal operating earnings. As of June 30, 1992, Tier 1 leverage capital was 6.94%.

PART II

OTHER INFORMATION

Item 1 - Legal Proceedings

The Company's wholly-owned subsidiary, California Republic Bank, becomes involved in litigation in the ordinary course of business. Management has reviewed all suits against the Bank with counsel and has taken into consideration the views of such counsel as to the outcome of the litigation. In Management's opinion, final disposition of all such suits will not have any material adverse effect on the Company's or the Bank's financial position.

Item 6 (b) - Reports on Form 8-K

During the second quarter of 1992, the Registrant filed a Form 8-K Current Report. The report was dated April 15, 1992 and reported the registrant's results of operation for the first quarter ended March 31, 1992.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto, duly authorized.

CAL REP BANCORP, INC.

Date: 8/11/92

Bruce W. Roat

Bruce W. Roat
Executive Vice President/C.F.O.

Date: 8/11/92

Kristen Barnes

Kristen Barnes
Senior Vice President/Controller